

**EXCISE****(E)**

Department of State

TELEGRA

645

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PAGE 01. ROME 08685 251242Z

83

ACTION: EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ADP-00 L-03

AID-20 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 IO-13

NSAE-00 RSC-01 OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01

ONB-01 PM-07 NSC-10 SS-15 H-03 PRS-01 INT-08 SCEM-02

RSR-01 /204 M

054657

R 251145Z AUG 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0412

INFO AMEMBASSY BRASILIA

AMEMBASSY TRIPOLI

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

AMEMBASSY TOKYO

CONFIDENTIAL ROME 8685

E.O. 11652: GDS

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>gj</u>	DATE <u>12/20/02</u>
RDS ☐ or XDS ☐ EXT. DATE	
TS AUTH. REASON(S)	
ENDORSE EXISTING MARKINGS ☒	
DECLASSIFIED ☐ RELEASABLE ☐	
RELEASE DENIED ☒ IN <u>EXEMPT</u>	
PA or FOI EXEMPTIONS <u>B1, A2, A5</u>	

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PAGE 02 ROME 08685 251242Z

TAGS: ENRG, IT, LY
SUBJECT: ITALIAN PURCHASES NATIONALIZED OIL
REF: STATE 167569

SUMMARY

[REDACTED] ITALIAN
COURT DECISION AGAINST BP LAST MARCH CREATES PRESUMPTION SUCH
PURCHASES ARE LEGAL [REDACTED] END SUMMARY. B1A3

2. ECON/COMM MIN CALLED ON RICIUILLI, ACTING DIRGEN FOR ECON AF-
FAIRS, MIN FONAFF ON EVENING AUG 24 TO EXECUTE DEMARCHE INSTRUCTED
IN REFTEL. (EMB HAD NO EARLIER NOTICE OF BUNKER HUNT SUITS AGAINST
ANIC/ENI, MONTEDISON OR PRIVATE ITALIAN OIL COMPANIES.)

3. ECON/COMM MIN MADE FULL EXPOSITION OF US VIEWS ON BUNKER HUNT
NATIONALIZATION. HE STRESSED IN PARTICULAR THAT PARTICIPATION OF
STATE-OWNED ENTITIES SUCH AS ENI/ANIC IN LIBYAN SALES OF NATION-
ALIZED BH CRUDE IS PARTICULARLY TROUBLESOME DEVELOPMENT SINCE LARG
COULD INTERPRET THIS (A) AS INDICATION OF INDIFFERENCE CONSUMING
COUNTRIES TO LIBYAN NATIONALIZATIONS OR (B) AS SIGN THAT LARG
PRESSURES ARE CAUSING RAPID MOVEMENT TOWARD BREAKDOWN ANY CON-
SUMER SOLIDARITY. EITHER INTERPRETATION REINFORCES LARG CONFIDENCE
IN ITS ABILITY TO GO FURTHER.

4. NOTING THAT HE WAS SPEAKING WITHOUT INSTRUCTIONS, ECON/COMM
MIN ADDED THAT ENI/ANIC PURCHASES ARE TAKING PLACE AT TIME WHEN
LARG AND MAJORS ARE MOVING TO CONFRONTATION WITH DISTINCT POSSIB-
ILITY OF SHUTDOWN MOST LIBYAN PRODUCTION AND ENSUING DIFFICULT
SUPPLY SITUATION WHICH COULD TEST CONSUMERS WILL TO COOPERATE.
ENI/ANIC OPERATION SEEMED LIKE A BAD BEGINNING FOR WHAT COULD BE
TEST CASE WHICH IF FAILED WOULD HAVE IMPLICATIONS FOR ALL-OVER
RELATIONS BETWEEN CONSUMERS.

5. RICIUILLI IN REPLY MADE FOLLOWING POINTS:

[REDACTED] B1A3
6. QUESTION OF PURCHASES OF NATIONALIZED BP OIL HAS ALREADY BEEN
PAGE 03 ROME 08685 251242Z

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DECIDED IN ITALIAN COURTS AGAINST BP (ROME A-159, MARCH 19). FACT THAT BP HAS APPEALED (ROME A-290, MAY 31) DOES NOT ALTER PRESUMPTION BY PURCHASERS THAT SUCH SALES ARE IN FACT LEGAL.

C. US INDEPENDENTS, LIKE ITALIAN, ARE PURCHASING NATIONALIZED CRUDE; PRESUMABLY IN EXPECTATION THEY CAN WIN SUITS AGAINST THEM.

[REDACTED] B1. A3

6. ECON/COMM MIN EMPHASIZED TO RICIULLI THAT ISSUE INVOLVED IN ENI/ANIC PURCHASES (AND PROBABLY MONTEDISON AS WELL, ALTHOUGH DEGREE GOI CONTROL IS LESS CLEAR) IS FOREIGN POLICY QUESTION GOING BEYOND LEGAL TECHNICALITIES OF COMMERCIAL PURCHASES. RICIULLI SAID HE UNDERSTOOD THIS POINT. B1. A3

7. COMMENT B1. A5

[REDACTED]

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